DUTY RATE STRUCTURE ON REFINED VEGETABLE VEGETABLE OILS OF EDIBLE GRADE

S. No.	Item Description	Basic costoms duty						
		2002-03			2003-04			2004-05
		Basic	SAD	Total	Basic	SAD#	Total	
1	Soyabean oil	45%	4%	50.8%	45%	4%	50 8%	45%
2.	Palm Oil	85%	4%	92.4%	85%/70%*	4% NIL*	92.4% 70%	70%/75%** 90%+
3.	Groundnut oil	85%	4%	92 4%	85%	4%	92 4%	85%
4	Sunflower/Safflower	85%	4%	92 4%	85%	4%	92 4%	85%
5	Coconut Oil	85%	4%	92.4%	85%	4%	92.4%	85%
6.	Rapeseed, Colza or mustard Oil	75%	4%	82%	75%	4%	82%	75%
7.	Other oils	85%	4%	92 4%	85%	4%	92.4%	85%

1. Education cess @ 2% of the aggregate of the duties of customs is levied w e f. 9th July, 2004.

* Duty on refined palm oil was reduced from 85%+4% (SAD) to 70%Nil (SAD) w.e f. 30th April, 2003.

SAD was withdrawn with effect from 9th January, 2004.

** Duty on refined palm oil was increased from 70% to 75% w e f 9th July,, 2004.

+ Customs duty on refined palm oils was increased from 75% to 90% w.e.f. 15th February, 2005.

Benefits of VAT

*186 SHRI DARA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have fully assessed benefits or disadvantages by VAT's introduction in the country from 1st April, 2005 and how far it is different from Central Sales Tax:

(b) which are the States who have passed a VAT law till date and whether any State not willing to do so;

(c) whether VAT will operate on the basis of uniform rates across the country by ending several State-level or vary in respect of unwilling State like Uttar Pradesh; and

(d) what special relief small dealers/traders will get under VAT whose turnover is up to 5 to 50 lakhs annually?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) VAT is a State level tax reform measure, which is proposed to be implemented by States in lieu of the existing Sales Tax system. An Empowered Committee of State Finance Ministers has been set up to decide on all issues relating to implementation of State Level VAT. The Empowered

Committee of State Finance Ministers has decided to implement VAT and has finalized the VAT design, after prolonged deliberations and due consideration of advantages offered by the VAT System. The State Level VAT being introduced from 1st April, 2005 is different from Central Sales Tax, in the sense that while the former is on inter-State sales (i.e. sales within a State), the latter is on inter-State sales.

A statement indicating the latest position with respect to the VAT Legislations of States/UTs is given in the statement-I (*See* below). No State/UT has communicated its unwillingness to pass VAT Legislation.

As decided by the Empowered Committee of State Finance Ministers, VAT will operate on the basis of uniform rates across the country. However, in case any State is not able to implement VAT w.e.f. 1st April, 2005, the existing system of sales tax shall continue in that State. Further, as decided by the Empowered Committee, it is expected that a number of State level taxes on purchase or sales of goods like state sales tax, turnover tax, purchase tax, additional sales tax, surcharge, entry tax (not in lieu of octroi) etc. will be subsumed in VAT.

Small dealers with annual turnover not exceeding Rs. 50 lakhs, who are otherwise liable to pay VAT, shall have the option for a compaistion scheme with payment of tax at a small percentage to turnover.

Statement I

Status of VAT Legislations of States/UTs

S.No.	Present Status	Names(s) of States/UTs
1.	VAT Legislations (including Ordinace) enacted, without Presidential Assent	Jammu & Kashmir, Haryana, Rajasthan, Bihar and Tripura (5 States)
2.	VAT Legislations, on which the Presidential Assent has already been communicated to the States/UTs	Madhya Pradesh, West Bengal, Kerala, Andhra Pradesh, Karnataka Gujarat, Assam, Meghalaya, NCT of Delhi, Maharashtra and Chattisgarn (11 States/UTs).
3.	VAT Legislations prepared by the States/UTs and sent to Government of India for Presidential Assent and under consideration.	Daman & Diu, Dadra & Nagar Haveli, Pondicherry, Manipur, Orissa and Punjab (6 States/UTs).

S.No.	Present Status	Names(s) of States/UTs
4.	VAT Legislations approved by the State Legislatures, but not yet sent to Government of India for Presidential Assent	Arunachal Pradesh, Goa and Sikkim (3 States).
5.	VAT Legislations yet to be approved by the State Legislatures/UT Administrations	Jharkhand, UP, Uttaranchal, Tamil Nadu, Mizoram, Nagaland, Himachal Pradesh and Chandigarh (8 States/UTs).
6.	UTs not having sales tax/ VAT	Andaman & Nicobar Islands and Lakshadweep (2 UTs.)

Appreciation of Rupee

*188. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that rupee has appreciated considerably in relation to US $ during the past few months;

(b) if so, the factors responsible for the same; and

(c) its financial implications on the Indian economy?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The Rupee appreciated against the US Dollar by 6.1 per cent during the period September-February 2004-05. This appreciation has primarily been on account to higher supply of foreign exchange, compared to demend, arising out of foreign portfolio inflows, trade remittances, etc. against the backdrop of the weakness exhibited by US Dollar agaisnt other major currencies in the international market.

(c) The movements in the Rupee value have been smooth and orderly, avoiding any significant costs to the economy. Both exports and imports have continued to post robust growth and, coupled with strong capital inflows, the overall balance of payments position remains comfortable. The foreign exchange reserves,which stood at US $ 113 billion at end-March 2004, have improved further, and are currently placed at US $ 135.7 billion, as on February, 25, 2005.